



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

King County

For the period July 1, 2020 through June 30, 2021

Published April 25, 2022

Report No. 1030339



Find out what's new at SAO
by scanning this code with
your smartphone's camera



**Office of the Washington State Auditor
Pat McCarthy**

April 25, 2022

Council and Executive
King County
Seattle, Washington

Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The Office of the Washington State Auditor takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for County operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

Attached is our independent audit report on the County's compliance with applicable requirements and safeguarding of public resources for the areas we examined. We appreciate the opportunity to work with your staff and value your cooperation during the audit.

Sincerely,

A handwritten signature in black ink that reads "Pat McCarthy".

Pat McCarthy, State Auditor
Olympia, WA

Americans with Disabilities

In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at webmaster@sao.wa.gov.

TABLE OF CONTENTS

Audit Results.....	4
Related Reports.....	6
Information about the County.....	7
About the State Auditor's Office.....	8

AUDIT RESULTS

Results in brief

This report describes the overall results and conclusions for the areas we examined. In those selected areas, County operations complied, in all material respects, with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

In keeping with general auditing practices, we do not examine every transaction, activity, policy, internal control, or area. As a result, no information is provided on the areas that were not examined.

About the audit

This report contains the results of our independent accountability audit of King County from July 1, 2020 through June 30, 2021.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

This audit was conducted under the authority of RCW 43.09.260, which requires the Office of the Washington State Auditor to examine the financial affairs of all local governments. Our audit involved obtaining evidence about the County's use of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters. The procedures performed were based on our assessment of risks in the areas we examined.

Based on our risk assessment for the year ended June 30, 2021, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Accounts payable – credit cards, travel expenditures, monitoring and tracking of travel transactions for compliance with new travel software procedures
- Use of restricted funds – sales and use tax to support the Health Through Housing program and compliance with program implementation plan
- Tracking and monitoring of fuel cards and fuel card purchases for Public Health-Medic One, Metro Transit-Vanpool program, and Executive Services – Airport Division
- Payroll for Metro Transit and Sheriff's Office – gross wages, leave balances and accruals, and leave cash outs at termination
- Compliance with procurement and solicitation requirements for the supplier registration portal related to the new procurement system

- Facilities Management Division – real estate purchases related to housing homeless
- Department of Community and Human Services – tracking and reporting state and local funding for Eviction Prevention and Rent Assistance Program, monitoring of bus ticket program
- Self-insurance for property and liability, health and welfare, unemployment, workers compensation and paid family and medical leave
- Open public meetings – compliance with minutes, meetings and executive session requirements
- Financial condition – reviewing for indications of financial distress

RELATED REPORTS

Financial

Our opinion on the County's financial statements and compliance with federal grant program requirements is provided in a separate report, which includes the County's financial statements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

That report includes a finding for a material weakness in internal controls over financial reporting regarding recording of Behavioral Health Fund expenditures in the proper accounting period.

Federal grant programs

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the County's major federal programs, which are listed in the Schedule of Findings and Questioned Costs section of the separate financial statement and single audit report. That report includes federal findings regarding controls over ensuring compliance with federal reporting requirements for the Community Development Block Grants, obligation of program costs to the correct performance period for the Continuum of Care program, and controls over ensuring compliance with prevailing wage requirements for the Airport Improvement Program. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

Other reports

We issued a report on agreed-upon procedures performed at the County regarding data reported in a letter from the County to the State Department of Ecology. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

INFORMATION ABOUT THE COUNTY

With a population of over 2.3 million, King County is the most populous county in Washington State and the 13th most populous in the country. The County covers 2,132 square miles, giving it the 11th largest geographic area of Washington's 39 counties. It is the financial, economic, transportation and industrial center of the Pacific Northwest.

The County operates under a Home Rule Charter, adopted by a vote of County citizens in 1968, with an executive-council form of government. The King County Council is the policy-making body of the County. Citizens elect the Executive to a four-year, full-time term. Citizens elect the Council's nine members by district to staggered, four-year terms. They also serve full-time.

The County provides public transportation, road construction and maintenance, surface water management, water quality, flood control, parks and recreation facilities, and agriculture services. The County also provides court services, law enforcement and criminal detention, emergency medical services, and medical examiner services. It assesses and collects taxes, provides fire inspections, water and land resources conservation, planning, zoning, animal control, public health and community and human services, election administration, treasury services and waste management services. King County provides critical local and regional services to millions of people, with over 15,000 employees and more than 60 lines of business. In late 2020, the County Council passed a two-year budget of about \$12.6 billion.

Contact information related to this report

Address:	King County 201 S. Jackson Street, Suite 714 M/S KSC-ES-0714 Seattle, WA 98104
Contact:	Cheryl Lee, Chief Accountant
Telephone:	(206) 263-8595
Website:	www.kingcounty.gov

Information current as of report publish date.

Audit history

You can find current and past audit reports for King County at <http://portal.sao.wa.gov/ReportSearch>.

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

Stay connected at sao.wa.gov

- [Find your audit team](#)
- [Request public records](#)
- Search BARS manuals ([GAAP](#) and [cash](#)), and find [reporting templates](#)
- Learn about our [training workshops](#) and [on-demand videos](#)
- Discover [which governments serve you](#) — enter an address on our map
- Explore public financial data with the [Financial Intelligence Tool](#)

Other ways to stay in touch

- Main telephone:
(564) 999-0950
- Toll-free Citizen Hotline:
(866) 902-3900
- Email:
webmaster@sao.wa.gov